

**BLD PLANTATION BHD.** (562199-A)

**Interim Financial Report**  
**30 September 2007**

**BLD PLANTATION BHD**  
(Company No: 562199-A)

**Interim Financial Report for Nine Months ended 30 September 2007**

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**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Income Statements**

For the Period Ended 30 September 2007

	Note	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
		30.09.2007 RM'000	30.09.2006 RM'000	30.09.2007 RM'000	30.09.2006 RM'000
Revenue		47,071	41,369	102,638	99,830
Cost of sales		(23,412)	(30,271)	(57,837)	(74,938)
Gross profit		23,659	11,098	44,801	24,892
Other operating income		97	34	202	86
Selling expenses		(2,523)	(2,253)	(5,676)	(4,576)
Administrative expenses		(1,047)	(1,357)	(3,871)	(3,372)
Finance costs		(236)	(1,252)	(766)	(1,425)
Profit before taxation		19,950	6,270	34,690	15,605
Taxation	<b>18</b>	(5,282)	(1,864)	(9,518)	(4,789)
Profit for the period		14,668	4,406	25,172	10,816
		=====	=====	=====	=====
Attributable to:					
Shareholders of the Company		14,338	4,470	24,688	11,015
Minority interest		330	(64)	484	(199)
		14,668	4,406	25,172	10,816
		=====	=====	=====	=====
<b>Earnings per share (sen)</b>	<b>26</b>				
- Basic		16.87	5.26	29.04	12.96
- Diluted		N/A	N/A	N/A	N/A
		=====	=====	=====	=====

The unaudited Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Balance Sheets**

	<b>As At 30.09.2007 RM'000</b>	<b>As At 31.12.2006 RM'000</b>
<b>Non-current Assets</b>		
Property, plant and equipment	402,820	343,240
Prepaid lease payments	148,010	150,199
Goodwill on consolidation	72	72
	550,902	493,511
<b>Current Assets</b>		
Inventories	10,402	8,038
Receivables	33,070	31,323
Deposits, cash and bank balances	5,446	3,746
	48,918	43,107
<b>Total assets</b>	599,820	536,618
	=====	=====
<b>CAPITAL AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	85,000	85,000
Reserves	277,441	258,958
	362,441	343,958
Total equity attributable to shareholders of the Company	362,441	343,958
<b>Minority interest</b>	554	70
	362,995	344,028
<b>Total equity</b>	362,995	344,028
	=====	=====
<b>Non-current liabilities</b>		
Borrowings	89,459	48,650
Deferred tax liabilities	98,131	88,612
	187,590	137,262
<b>Current liabilities</b>		
Borrowings	27,096	39,335
Payables	22,139	15,993
	49,235	55,328
Total liabilities	236,825	192,590
	=====	=====
<b>Total equity and liabilities</b>	599,820	536,618
	=====	=====

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Balance Sheets**

<b>Net assets per share attributable to shareholders of the Company (RM)</b>	4.26	4.05
	===	===

The unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Statement of Changes in Equity**

For the Period Ended 30 September 2007

	Attributable to shareholders of the Company				Minority interest	Total Equity
	Share Capital RM'000	Retained Profit RM'000	Share Premium RM'000	Total RM'000	RM'000	RM'000
At 1 January 2007	85,000	236,854	22,104	343,958	70	344,028
Profit for the period	-	24,688	-	24,688	484	25,172
Final dividend	-	(6,205)	-	(6,205)	-	(6,205)
At 30 September 2007	85,000	255,337	22,104	362,441	554	362,995

	Attributable to shareholders of the Company				Minority interest	Total Equity
	Share Capital RM'000	Retained Profit RM'000	Share Premium RM'000	Total RM'000	RM'000	RM'000
At 1 January 2006	85,000	61,190	22,104	168,294	199	168,493
Effect of adopting FRS 3	-	165,609	-	165,609	-	165,609
Profit for the period	-	11,015	-	11,015	(199)	10,816
Final dividend	-	(6,120)	-	(6,120)	-	(6,120)
At 30 September 2006	85,000	231,694	22,104	338,798	-	338,798

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Condensed Consolidated Cash Flow Statement**

For the Period Ended 30 September 2007

	<b>Cumulative 9 months ended 30.09.2007 RM'000</b>	<b>Cumulative 9 months ended 30.09.2006 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	34,690	15,605
Adjustments for:		
Depreciation of property, plant and equipment	3,407	3,421
Amortisation of lease rental	2,203	2,208
(Gain)/loss on disposal of property, plant and equipment	(82)	1
Interest income	(84)	(95)
Interest expense	766	1,425
Operating profit before changes in working capital	40,900	22,565
Net change in current assets	(8,527)	(19,894)
Net change in liabilities	6,144	(20,963)
Cash generated from / (used in) operations	38,517	(18,292)
Income tax paid net of refund	4,416	1,605
Interest received	84	95
Net cash generated from / (used in) operating activities	43,017	(19,801)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(58,732)	(33,888)
Proceeds from disposal of property, plant and equipment	119	-
Net proceeds from refund of stamp duty from acquisition of subsidiary	-	236
Net cash used in investing activities	(58,613)	(33,652)
<b>Cash flows from financing activities</b>		
Dividend paid	(6,205)	(6,120)
Interest paid	(5,072)	(3,481)
Net proceeds from term loan and revolving credit	39,809	52,563
Net cash generated from financing activities	28,532	42,962
<b>Net increase/(decrease) in cash and cash equivalents</b>	12,936	(10,490)
<b>Cash and cash equivalents at the beginning of the period</b>	(8,952)	3,740
<b>Cash and cash equivalents at the end of the period</b>	3,984	(6,750)

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes.

## **BLD PLANTATION BHD**

(Company No: 562199-A)

### **Notes to the Financial Information**

#### **1. Basis of preparation**

The interim financial statements are unaudited and have been principally prepared in accordance with Financial Reporting Standards (“FRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006.

The accounting policies and methods of computation applied in the preparation of the interim financial statements are consistent with those used in the preparation of the most recent annual financial statements except for the accounting policy changes that are expected to be reflected in the 2007 annual financial statements.

Details of these changes in accounting policies are set out in Note 2.

#### **2. Change in accounting policy**

The adoption of FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for leasehold land represents prepaid lease payments and amortised on a straight line basis over the lease term. Prior to 1 January 2007, leasehold land was classified as property, plant and equipment.

The unamortized amount of leasehold land is retained as the surrogate carrying amount of prepaid lease in accordance with transitional provisions of FRS 117.

##### Effect on the Balance Sheet as at 31 December 2006

<u>Description of change</u>	<u>Increase/(decrease)</u>
Property, plant and equipment	(150,199)
Prepaid lease payments	150,199

#### **3. Auditors’ report on preceding annual financial statements**

The auditors’ report on the financial statements for the year ended 31 December 2006 was not qualified.

#### **4. Comments about seasonal or cyclical factors**

Save as expected with the consistent and usually low FFB production period during the first half of the year, the performance of the Group’s operation was not materially affected by any other seasonal and cyclical factors.

## **BLD PLANTATION BHD**

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### **Notes to the Financial Information**

#### **5. Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the reporting quarter.

#### **6. Changes in estimates**

There was no significant change in estimates of amounts reported which have a material impact on the reporting quarter.

#### **7. Debt and equity securities**

There was no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current period ended 30 September 2007.

#### **8. Dividends Paid**

A final dividend of 10 sen per share less tax at 27% for financial year ended 31 December 2006 totalling RM6.205 million was paid on 30 August 2007.

#### **9. Segmental information**

No segmental analysis is presented as the Group is principally engaged in the oil palm industry in Malaysia

#### **10. Carrying amount of revalued assets**

As at the end of this reporting quarter, the Group does not have any revalued assets.

#### **11. Subsequent events**

There is no other material event subsequent to this reporting quarter as at the date of this announcement.

**BLD PLANTATION BHD**

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**Notes to the Financial Information****12. Changes in the composition of the Group**

There was no change in composition of the Group for this reporting quarter.

**13. Changes in contingent liabilities and contingent assets**

	<b>RM'000</b>
Guarantee relating to bonding requirement	2,507
	=====

**14. Capital commitments**

The amount of commitments not provided for in the interim financial statements as at 30 September 2007 is as follows:

	<b>RM'000</b>
Approved and contracted for	26,519
Approved but not contracted for	44,268
	-----
	70,787
	=====

**15. Review of Performance**

The Group recorded a profit before tax of RM34.69 million compared to profit before tax of RM15.605 million for the preceding corresponding year.

**16. Comparison with Preceding Quarter's Results**

The revenue and profit before tax for the reporting quarter are RM47.071 million and RM19.950 million respectively as compared to RM55.567 million and RM14.74 million respectively for the immediate preceding quarter.

**17. Commentary on prospects**

The Group's financial performance is mainly dependent on the demand for CPO and PK in world edible oil market and their corresponding prices. Barring any unforeseen circumstances, the Directors are of the opinion that the Group's performance is expected to be satisfactory for the current year.

**BLD PLANTATION BHD**

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**Notes to the Financial Information****18. Taxation**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2007</b>	<b>30.09.2006</b>	<b>30.09.2007</b>	<b>30.09.2006</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Tax expense for the period:				
Deferred taxation	5,282	1,864	9,518	4,789
	=====	=====	=====	=====

**19. Sale of unquoted investments and properties**

There were no sales of unquoted investments and properties during the current quarter.

**20. Quoted securities**

There were no purchases or sales of quoted securities during the current quarter.

**21. Corporate proposals**

(i) The Company ("BLDP") had on 12 July 2006 entered into the following:-

- (a) a conditional Share Sale Agreement for the proposed acquisition by BLDP of a total of 27,300,000 ordinary shares of RM1.00 each in Wawasan Sedar Sdn Bhd ("WS") (representing 39.00% of the existing issued and paid-up share capital of WS ) for a total indicative purchase consideration of approximately RM167.90 million ("Proposed Acquisition") and
- (b) a conditional Share Subscription Agreement with WS for the proposed subscription by BLDP of 15,229,500 new ordinary shares of RM1.00 each in WS (representing 17.87% of the enlarged paid-up share capital of WS) at an issue price of RM6.15 per share or a total subscription value of approximately RM93.66 million ("Proposed Subscription").

## **BLD PLANTATION BHD**

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### **Notes to the Financial Information**

#### **21. Corporate proposals (con't)**

- (ii) Securities Commission ("SC") had vide its letter dated 29 November 2006, given its approval for the application for
- (a) a waiver for BLDP and parties acting in concert ("PAC") from the obligation to make a mandatory offer ("MO") for the remaining ordinary shares in WS not already held by them after the Proposed Acquisition and the Proposed Subscription under Practice Note 2.9.6 of the Malaysian Code of Take-Over and Mergers, 1988 (Code) ("Proposed Waiver for PN 2.9.6").
  - (b) Application for a waiver for KTS Holdings Sdn Bhd and PACs from the obligation to undertake a MO under Practice Note 2.9.1 of the the Code for the remaining shares in BLDP not already owned by them arising from the issuance of the consideration shares to Hwa Siang Holdings Sdn Bhd and Kuching Lumber Holdings Bhd pursuant to the proposed acquisition of equity interest in Wawasan by BLDP ("Proposed Waiver for PN2.9.1")

The approval of the SC on the Proposed Waiver for PN 2.9.1 is subject to:

- (a) KTS and PACs fulfilling the following requirements:
  - (i) Approval being obtained from the independent holders of voting shares of BLDP, on a poll in a general meeting in which the interested parties are to abstain from voting. The result of the poll has to be confirmed by an independent auditor;
  - (ii) Provision is made for the shareholders of BLDP for competent independent advice regarding the Proposed Waiver for PN 2.9.1. The appointment of the independent adviser and the independent adviser's circular to the shareholders are to be first approved and consented by the SC; and
  - (iii) KTS and PACs are to submit a declaration (to be furnished after the general meeting) addressed to the SC, attesting that KTS and PACs have not purchased shares in BLDP in the 6 months prior to the posting of the circular in relation to the proposal to the holders of voting shares, but subsequent to the discussion in relation to the Proposed Acquisition (the date of the discussion must be disclosed by KTS and PACs), whichever is the shorter period, and until the granting of the proposed exemption by the SC (if so decided).
- (iii) Robert Lau Hui Yew and Lau Swee Nguong @ Lau Sui Guang confirming that their siblings/children do not have interests/beneficial interests in the Proposed Acquisition, and providing the names of the siblings/children in the said confirmations.

## **BLD PLANTATION BHD**

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### **Notes to the Financial Information**

#### **21. Corporate proposals (con't)**

The Company has on 11 September 2007 received a request from KTS Holdings Sdn Bhd (“KTS”) for a proposed waiver of the undertaking provided by KTS dated 16 September 2002 during the Initial Public Offering (“IPO”) of BLDP which served to address any potential conflict of interest issues between BLDP and its subsidiaries and oil palm estates owned by KTS (“Undertaking”) (“Proposed Waiver”). The Undertaking was for KTS to dispose its stake in six (6) oil palm plantation companies to BLDP in the future.

The Company has on 11 September 2007 submitted to the Securities Commission (“SC”) an application for the withdrawal of the Proposed Acquisition and Proposed Subscription.

The withdrawal was made after the Company had submitted an application to the SC for the Proposed Waiver.

The Proposed Waiver is not expected to have any material effects on the issued and paid up share capital, net assets, gearing and shareholding structure of BLDP.

In the event that the estate of the late Dato Sri (Dr) Lau Hui Kang, Dato Henry Lau Lee Kong and Tuan Haji Wan Abdillah bin Wan Hamid (collectively referred to as the “Promoters”) and KTS intend to sell or if there is any offer to purchase Wawasan Sedar Sdn Bhd, Gayanis Sdn Bhd, KTS Agriculture Development Sdn Bhd and KTS Pelita (Simunjan) Sdn Bhd (formerly known as Sabal Kruin Plantation Sdn Bhd), (collectively referred to as “Remaining Companies”) in the future, the Promoters and KTS should give BLDP Group the first right of refusal to purchase the Remaining Companies.

The Proposed Waiver should be subject to the approvals of the shareholders of BLDP at an Extraordinary General Meeting to be convened and any other relevant authorities, if any.

The directors and substantial shareholders of BLDP who are deemed to be interested in the Proposed Waiver should abstain from voting and deliberating on the Proposed Waiver at all Board of Directors meeting of BLDP. The said directors, substantial shareholders and/or persons connected with them who have interest, direct and/or indirect interest in BLDP, should abstain from voting on the resolutions pertaining to the Proposed Waiver to be tabled at the EGM to be convened; and

The independent members of the Board should appoint an independent adviser to advise the independent directors and minority shareholders of BLDP at the EGM to be convened to vote on the resolutions pertaining to the Proposed Waiver.

A circular to shareholders seeking their approval for the Proposed Waiver will be dispatched to shareholders in due course.

The details were as disclosed in the said announcements.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Notes to the Financial Information****22. Borrowings and debt securities**

	<b>RM'000</b>
<b>Short term borrowings</b>	27,096
Secured	
 <b>Long term borrowings</b>	
Secured	89,459
	-----
	116,555
	=====

The above borrowings are denominated in Ringgit Malaysia.

**23. Off balance sheet financial instruments**

The Group does not have any financial instruments with off balance sheet risk as at the end of the current quarter to the date of this announcement.

**24. Changes in material litigation**

There are no material litigations pending since the last annual balance sheet date to the date of this announcement.

**25. Profit Forecast or Profit Guarantee**

The Group did not issue any profit forecast and profit guarantee.

**26. Dividend**

No dividend has been proposed for the current reporting quarter.

**BLD PLANTATION BHD**

(Company No: 562199-A)

**Notes to the Financial Information****27. Earnings per share**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2007</b>	<b>30.09.2006</b>	<b>30.09.2007</b>	<b>30.09.2006</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period	14,668	4,406	25,172	10,816
Amount attributable (to) /by minority interest	(330)	64	(484)	199
	-----	-----	-----	-----
Profit for the year attributable to shareholders of the Company	14,338	4,470	24,688	11,015
	=====	=====	=====	=====
Weighted average number of ordinary shares in issue ('000)	85,000	85,000	85,000	85,000
	=====	=====	=====	=====
Basic earnings per share (sen)	16.87	5.26	29.04	12.96
	=====	=====	=====	=====